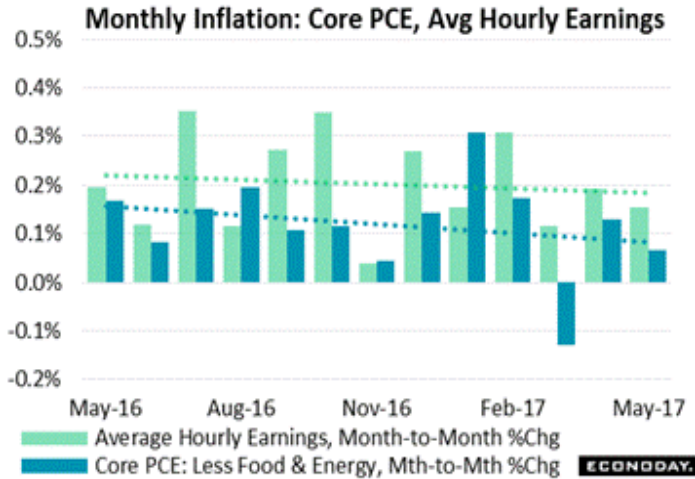


ECONOMIC/MARKET BRIEF



Performance as of June 30, 2017

| Index | Month | 3 Months | YTD | 1 YR | 3 YR | 5 YR |
|----------------|--------|----------|--------|--------|--------|--------|
| S&P 500 | 0.62% | 3.09% | 9.34% | 17.90% | 9.61% | 14.63% |
| Dow Jones | 1.74% | 3.95% | 9.35% | 22.12% | 11.01% | 13.45% |
| Russell MidCap | 0.99% | 2.70% | 7.99% | 16.48% | 7.69% | 14.72% |
| Russell 2000 | 3.46% | 2.46% | 4.99% | 24.60% | 7.36% | 13.70% |
| MSCI EAFE | -0.18% | 6.12% | 13.81% | 20.27% | 1.15% | 8.69% |
| MSCI Emg Mkts | 1.01% | 6.27% | 18.43% | 23.75% | 1.07% | 3.96% |
| Barcap Aggr | -0.10% | 1.45% | 2.27% | -0.31% | 2.48% | 2.21% |

○ POSITIVES

- Non-farm payrolls beat consensus expectations, adding 222,000 jobs in June
- The ISM Manufacturing Index surged nearly 3 percentage points in June to 57.8, driven by strong new orders, production, and backlog
- Consumer confidence came in at a strong 118.9, the highest posting in 16 years

○ CHALLENGES

- Consumer inflation remains weak which does not support the Federal Reserve’s plan to increase interest rates and reduce their bond buying
- Consumer spending will likely remain relatively weak if income continues to slip
- Housing remains soft as indicated by relatively weak pending home sales and building permits

